Judge McShane grew up in rural Eastern Washington and has spent most of his life in the Pacific Northwest. He attended Gonzaga University in Spokane, Washington, where he obtained his degree in English Literature. In 1983 he joined the Jesuit Volunteer Corps and was sent to work with homeless parolees in Portland, OR. After obtaining his JD from Lewis and Clark Law School in 1988, he went to work at the Metropolitan Public Defender's Office in Portland, where (in addition to representing the getaway driver in the Tonya Harding case) he served as the senior supervising attorney.

Prior to serving on the federal court, Judge McShane was a Multnomah County Judge for fifteen years, presiding over a variety of criminal and civil cases. He was appointed to the county's death penalty panel in 2003 and handled over 25 capital cases. He teaches extensively on trial practice, advocacy, and evidence and he focuses much of his time off the bench working with at-risk youth. He sits on the boards of The Wayne Morse Center for Law and Politics and The Oregon Law Students Public Interest Fund at the University of Oregon Law School.

Judge McShane is one of eleven LGBTQ+ active Article III judges and the first gay federal judge serving the District of Oregon.